

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5697-01  
Bill No.: Truly Agreed To and Finally Passed HJR 55  
Subject: Constitutional Amendments; Public Officers  
Type: Original  
Date: June 1, 2006

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### **FISCAL ANALYSIS**

#### **ASSUMPTION**

Officials from the **Missouri Department of Conservation** and **Department of Labor and Industrial Relations** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Joint Committee on Public Employee Retirement** state their review of the legislation would indicate that such legislation would not create a “substantial proposed change” in future plan benefits as defined in Section 105.660(5). Therefore, an actuarial cost statement is not required.

Officials from the **Missouri State Employees’ Retirement System (MOS)** state the proposed legislation would, if enacted, submit to qualified voters of Missouri a constitutional amendment, to existing language, that allows for automatic approval of the schedule of compensation established by the Missouri Citizen’s Commission on Compensation for all elected state officials, members of the General Assembly, and judges unless disapproved by a concurrent resolution adopted by the General Assembly. As proposed, restrictive language stating “subject to appropriations” has been removed from existing law. New provisions are proposed that would disqualify any public official convicted in any court of a felony which occurred while in office or who has been removed from office for misconduct or impeachment from receiving any pension from the state of Missouri, beginning January 1, 2007. Lastly, language has been incorporated into the proposal that would restrict any member of the House of Representatives or any member of the Senate from receiving any salary increases until January 1, 2009.

ASSUMPTION (continued)

The net effect of these changes would result in the schedule of compensation automatically becoming effective for elected officials and judges the first day of July following filing of the schedule; however, any current legislator would not receive a salary adjustment until January 1, 2009.

Post-retirement cost-of-living adjustments (COLAs) for retired members of the general assembly who retire under the Missouri State Employees' Plan 2000 (MSEP 2000) are based on the increase in pay for active members of the general assembly. In addition, the retirement formula under the MSEP 2000 is based upon an active legislator's monthly base pay and service. As a result, retired legislators receive no COLAs in years in which there is no pay increase and the lack of pay increases for active legislators over their careers has the net effect of producing lower retirement benefits than otherwise would have been the case.

Officials from the **Office of Secretary of State (SOS) - Division of Elections** provide that many joint resolutions are considered by the General Assembly that would require the SOS to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. In the FY 07 budget approved by the Missouri General Assembly, a total of \$1.6 million has been provided to meet these requirements. The appropriation is an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. Therefore, the SOS should have the full appropriation authority it needs in FY 07 to meet the publishing requirements and this proposal will have no fiscal impact on the SOS.

In response to previous versions of this legislation, officials from the **Missouri Department of Transportation, Missouri House of Representatives, and Missouri Senate** assumed the legislation would have no fiscal impact on their organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2007  
(10 Mo.)

FY 2008

FY 2009

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

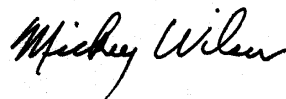
Beginning January 1, 2007, this proposed constitutional amendment prohibits, upon voter approval, public officials convicted of felonies while serving in office, removed from office for misconduct, or impeached from receiving any state pension.

The amendment requires a two-thirds majority vote by the General Assembly in order to veto the compensation schedule recommended by the Missouri Citizens' Commission on Compensation for Elected Officials. The requirement that the compensation schedule be subject to appropriations by the General Assembly is repealed. No compensation schedule approved by the commission will apply to members of the General Assembly until January 1, 2009.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Labor and Industrial Relations  
Missouri Department of Transportation  
Missouri Consolidated Health Care Plan  
Missouri Department of Conservation  
Missouri House of Representatives  
Missouri State Employees' Retirement System  
Missouri Senate  
Office of Secretary of State



L.R. No. 5697-01  
Bill No. Truly Agreed To and Finally Passed HJR 55  
Page 5 of 5  
June 1, 2006

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